Retail as an Economic Development Tool
The Retail Coach is a national retail recruitment and development firm that combines strategy, technology and retail expertise to develop and execute high-impact retail recruitment and development plans.
Agenda

- Where Retail “Fits” in Economic Development
- Impacts of Retail & Current Trends
- Approach to Retail Recruitment
Traditional Economic Development

Industry & Corporate Recruitment
- Attract Manufacturing, Corporate Office
- Workforce Education & Development
- Industrial Parks & Mega Sites
Traditional Economic Development

Industry & Corporate Recruitment
- Attract Manufacturing, Corporate Office
- Workforce Education & Development
- Industrial Parks & Mega Sites

Bigger, Stronger Local Workforce

Increased Demand for Residential Development

Retail Follows Rooftops
Traditional Economic Development

Industry & Corporate Recruitment

Retail Development
- Shopping, dining, & entertainment opportunities improve quality of life
- Retail as an amenity

Bigger, Stronger Local Workforce

Increased Demand for Residential Development
Proliferation of “Mixed-Use”

Retail
Residential
Office
Hotel
Medical
Retail Development Impacts

Retail can keep you in the game until you get the “Home Run”...

Total Sales

- $1 MILLION
- $5 MILLION
- $25 MILLION
- $50 MILLION
- $75+ MILLION

Job Creation

- 15
- 30
- 100
- 200
- 325

1% Annual Local Tax Impact

- $10,000
- $50,000
- $250,000
- $500,000
- $750,000
Retail Development Impacts

Zachery Eanes
@zeanes

North Carolina is apparently about to get its first Buc-ee’s. Texas people is this actually that big of a deal? I mean it's a truck stop, right?

Mega convenience store with best bathrooms in America planned for...
Buc-ee’s Travel Center would anchor a half-million square foot retail, restaurant, hotel and business development near Efland.
newsobserver.com

8:29 AM · Sep 4, 2020

24  36 people are Tweeting about this
Retail Development Impacts

IKEA increases prices of the properties sold in the entry cities by an average of 4.2%

New grocers play a role in local housing values
**Retail Trends**

**Recovery Trend - YoY Foot-traffic % Change**

![Map showing recovery trend across different states in the USA](image_url)

**Nationwide Overall Change**

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Categories</td>
<td>-14.30%</td>
</tr>
<tr>
<td>Apparel</td>
<td>-14.85%</td>
</tr>
<tr>
<td>Dining</td>
<td>-33.11%</td>
</tr>
<tr>
<td>Electronics</td>
<td>-1.52%</td>
</tr>
<tr>
<td>Fitness</td>
<td>-45.72%</td>
</tr>
<tr>
<td>Groceries</td>
<td>-4.44%</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>18.49%</td>
</tr>
<tr>
<td>Hotel/Casinos</td>
<td>-25.57%</td>
</tr>
<tr>
<td>Medical &amp; Health</td>
<td>-12.26%</td>
</tr>
<tr>
<td>Shop &amp; Service</td>
<td>-3.71%</td>
</tr>
<tr>
<td>Shopping Centers</td>
<td>-24.17%</td>
</tr>
<tr>
<td>Superstores</td>
<td>-7.71%</td>
</tr>
</tbody>
</table>

*Data reflects the foot-traffic change in % for the week 28 Dec 2020 - 03 Jan 2021, compared to the same week last year.*
Retail Trends

Recovery Trend - YoY Foot-traffic % Change

North Carolina Overall Change

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Categories</td>
<td>-10.29%</td>
</tr>
<tr>
<td>Apparel</td>
<td>-11.34%</td>
</tr>
<tr>
<td>Dining</td>
<td>-27.74%</td>
</tr>
<tr>
<td>Electronics</td>
<td>-7.79%</td>
</tr>
<tr>
<td>Fitness</td>
<td>-37.71%</td>
</tr>
<tr>
<td>Groceries</td>
<td>1.07%</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>20.75%</td>
</tr>
<tr>
<td>Hotel/Casinos</td>
<td>-13.48%</td>
</tr>
<tr>
<td>Medical &amp; Health</td>
<td>0.92%</td>
</tr>
<tr>
<td>Shop &amp; Service</td>
<td>-1.35%</td>
</tr>
<tr>
<td>Shopping Centers</td>
<td>-16.36%</td>
</tr>
<tr>
<td>Superstores</td>
<td>-9.80%</td>
</tr>
</tbody>
</table>

* Data reflects the foot-traffic change in % for the week 28 Dec 2020 - 03 Jan 2021, compared to the same week last year
Gaston Mall (Gastonia) foot traffic increased YoY compared to 2019
Retail Trends

Big-Box Still On Top

- Big-box retailers benefitted from being “essential” and keeping stores open during the lockdown
- “One stop shop” retailers like Target, Walmart, Best Buy, and Lowe’s have seen their sales soar
- Benefitted from the DIY trend
- Consumers tended to skip the mall and specialty retailers and their sales suffered
- Off-mall, “everything stores” are likely to continue to thrive
Retail Trends

E-commerce Explosion has Created Challenges

- Shipping has become a fulfillment issue - reason for some retailers move to identify localized fulfillment centers
- Shipping is a cost issue
- USPS, FedEx and UPS are beyond their limits
- Third-party delivery services are popping up
- Demand for drivers, warehouse pickers and packers
- Amazon hired approx. 350,000 in 2020
- UPS planned to hire more than 100,000 during the holidays
Retail Trends

“Zoom Dressing” Sticking Around

The sale of sweat pants, pajamas and workout apparel have spiked as employees shifted to work-from-home.

• Athleisure wear is as relevant as ever - brands like Nike, Lululemon, Outdoor Voices, Champion, Rhone and others have benefitted
• Walmart recognized in March that sales of tops were up but not bottoms
Retail Trends

In a matter of 90 days, we have vaulted forward 10 years in consumer and business digital adoption.
Retail Trends
Brick-and-Mortar = Essential?

Having a physical presence is necessary for Click-and-Collect concepts.

Being close to the end-consumer has been shown to be a critical ingredient to success for Walmart.
...a typical employer can save about $11,000/year for every person who works remotely half of the time. Our best estimate is that 25-30% of the workforce will be working-from-home multiple days a week by the end of 2021.

— Kate Lister, President of Global Workplace Analytics
Work From Home Implications

Places need need on community amenities, since there will be less of commuting and “pick up on the way home”

High Speed Internet Access

Parks, Walking Trails

Food / Entertainment Options

QUALITY OF LIFE

In the midst of this pandemic, public space is decidedly having a moment.
Retail Trends

Main Street as a Destination

Local districts could emerge as the best option for tourism & entertainment.

Surveys are consistently showing consumer hesitation with major travel plans using other methods than personal vehicles.

Creating a destination and sense of place may become more important than ever, as unique Downtowns can serve as a substitute for traditional vacations.
Attracting Retail Development

• Community development must precede economic development
• Retail development strategies are place-based and must “fit” the community
• A balance of independent, regional, and national retail must be achieved
• Retail must be recruited
• Retail recruitment is a process – not an event
Research and target appropriate Retailers for Recruitment.

- **Target retailers that “fit”** your community based on the retailers preferred new site location needs.

- Take the time and do your research first. Don’t waste your time or the retailers time by being unrealistic.

- **Retailers are looking for “the sure thing.”**
Attracting Retail Development

Greensboro-Randolph Magasite

- 1,275,958 workers within a 50-mile radius
- I-85 less than 10 miles away
- 11 universities located nearby
- Rail line adjacent
  - Intermodals in Greensboro, Charlotte & Rocky Mount
- Low cost
  - Below average electricity rates and construction costs
  - 2.5% lowest corporate income tax in the U.S.
- #1 in the Southeast for manufacturing jobs

Gastonia Sub-Markets

- vs
- 47,717 people
  - High income: 19,370
  - Average income: 57,610
  - Employed: 33,198
- 44,891 people
  - High income: 18,284
  - Average income: 58,031
  - Employed: 43,189
Accurate Retail Trade Area Determination is the most important thing you can do. It’s the foundation of any retail strategy.

- The retail trade area is the longest distance consumers are willing to travel to purchase retail goods and services. Its size depends on the variety of retail goods/services offered in the community and proximity to competing retail in nearby communities.

Traditional trade area determination methodologies:
- Neighborhood/city limits/county boundaries
- Radial
- Drivetime
Attracting Retail Development

Mobile Location Data Retail Trade Area Mapping is a more accurate technology to determine retail trade areas.

Cell Phone Data Studies:
- Tracks use of cellular devices
- Filters visits by day or time
- Provides measurable for events
- Highlights areas of retail leakage
- Identifies visitors/consumer origin
- Identifies Path-to-Purchase

<table>
<thead>
<tr>
<th>Last 12 Months</th>
<th>Est. # of Customers</th>
<th>Est. # of Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>184.2K</td>
<td>1.6M</td>
</tr>
</tbody>
</table>
Attracting Retail Development

Mobile Location Data Retail Trade Area Mapping is a more accurate technology to determine retail trade areas.

Cell Phone Data Studies:
- Tracks use of cellular devices
- Filters visits by day or time
- Provides measurable for events
- Highlights areas of retail leakage
- Identifies visitors/consumer origin
- Identifies Path-to-Purchase
Attracting Retail Development

Mobile Location Data Retail Trade Area Mapping is a more accurate technology to determine retail trade areas.

Cell Phone Data Studies:
- Tracks use of cellular devices
- Filters visits by day or time
- Provides measurable for events
- Highlights areas of retail leakage
- Identifies visitors/consumer origin
- Identifies Path-to-Purchase
Attracting Retail Development

Mobile Location Data Retail Trade Area Mapping is a more accurate technology to determine retail trade areas.

Cell Phone Data Studies:
- Tracks use of cellular devices
- Filters visits by day or time
- Provides measurable for events
- Highlights areas of retail leakage
- Identifies visitors/consumer origin
- Identifies Path-to-Purchase

Trade Area Population: 45,337
Attracting Retail Development

City Population: 14,763
5-Mile Population: 25,165
10-Min Population: 22,634
Trade Area Population: 45,337
Attracting Retail Development

CITY OF GASTONIA
North Carolina
(Charlotte Metro)

POPULATION
168,497
2020 Estimated Primary Retail Trade Area Population

AGE DISTRIBUTION AND RACE

- 9 Years and Under - 12.1%
- 10-17 Years - 13.6%
- 18-24 Years - 9.5%
- 25-34 Years - 13.0%
- 35-44 Years - 12.6%
- 45-54 Years - 11.7%
- 55-64 Years - 12.0%
- 65 Years and Over - 10.7%

- White - 73.2%
- Black or African American - 20.1%
- American Indian/Alaskan - 0.4%
- Asian - 1.0%
- Native Hawaiian/Islander - 0.2%
- Other Race - 4.8%
- Two or More Races - 2.6%
- Hispanic or Latino - 8.9%

HOUSIEHOLD INCOME

- Average Household Income: $69,677
- Median Household Income: $51,920

OCCUPATION IN GASTONIA

- Clothing & Accessory Stores
  Sales Leakage = $11,999,278
- Sporting Goods Stores
  Sales Leakage = $3,696,459
- Food Service & Drinking Places
  Sales Leakage = $11,938,765

- Potential Retail Sales: $2,557,140,080
- Actual Sales: $1,642,176,714
- Sales Leakage: $914,961,366

- Gastonia is located just 20 minutes from the Charlotte-Douglas International Airport.
- The Fuse District in Downtown Gastonia - a mixed-use sports and entertainment district - broke ground in Fall 2019, supported by over $75 million in public-private investment. Scheduled to open Spring 2021.
- The primary retail trade area has a projected growth rate over 5% through 2025.
2021 Retail Expansion

Despite the pandemic and (misconceived) notions of the market, many brands have plans to add attentional brick-and-mortar locations in 2021.

- At Home
- Burlington
- DSW
- Marshalls
- TJ Maxx
- Ross
- Old Navy
- Dd Discounts
- AutoZone
- O’Reilly’s Auto Parts

- Take 5 Oil Change
- Hobby Lobby
- Michaels
- Costco
- Dollar General
- Dollar Tree
- Family Dollar
- Five Below
- Target
- Best Buy

- Aldi
- Save A Lot
- Trader Joe’s
- Harbor Freight
- Tractor Supply Company
- Texas Roadhouse
- Shake Shack
- Raising Cane’s Chicken
- Sonic
- Starbucks
Aaron Farmer  
662.231.0608 
afarmer@theretailcoach.net 
www.theretailcoach.net

Charles Parker  
662.231.9078 
cparker@theretailcoach.net 
www.theretailcoach.net